

m/035/020

To:**Fax #:****Re:****Date:****Pages:**D. Wayne Hedberg359-394010-16-033 Including Cover Sheet

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DIV. OF OIL, GAS & MINING

From the desk of...

Russell Larsen
Vice President
Excavation Division
HERM HUGHES & SONS, INC.
900 North Redwood Road
P O Box 540700
North Salt Lake, Utah 84084-0700

801/292-1411
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DIV. OF

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Lakeview Rock Products, Inc.

P.O. Box 540700
900 North Redwood Road
North Salt Lake, Utah 84054-0700
(801) 292-7161

October 16, 2003

Mary Ann Wright
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: Reply to Division Directive for Lakeview Rock Products, Inc., Beck Street Quarry
M/035/020 - Salt Lake County

Dear Ms. Wright

We have been working on completing the items that were discussed at our meeting, but we are concerned that we will not be able to comply with some of the time limits specified in your Division Directive. The following is a summary of our current progress and efforts to comply with the Directive.

Item #1 - Letter outlining a plan to submit a reclamation plan within 90 days

- I contacted JBR Environmental on September 19th after our meeting and requested a proposal from them to help us modify our current reclamation plan to comply with DOGM requirements. I have had many discussions with them, and should have a proposal in the next few days. I have informed them that we need to have our plan submitted within 90 days.
- I contacted Lynn Pace at Salt Lake City on September 19th, and again on October 16th. He called back on October 16th and told me that their surveyor still needs an additional two weeks to complete his items so that we could meet and finalize the agreement with Salt Lake City. In two weeks I will again contact Lynn Pace to arrange a meeting with SL City, LRP, and DOGM.
- It would also be helpful to get DOGM's review of our current reclamation plan so that we can begin working through any items that need to be amended. We talked about the zoning line and reclamation escrow in our meeting, but we did not discuss any other issues.
- Summary of our plan -
 1. Work with JBR Environmental
 2. Arrange meeting with SLC, LRP, and DOGM
 3. Receive feedback on current reclamation plan from DOGM
 4. Submit Revised Reclamation Plan

Item #2 – *Arrange for a meeting between LRP, SLIC, and DOGM within 30 days*

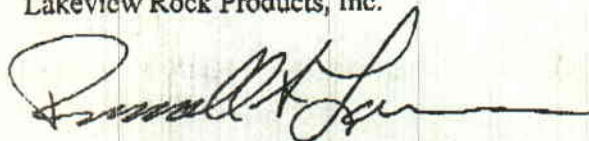
- See item #1

Item #3 – *LRP submit an Interim reclamation bond of \$250,000 to DOGM.*

- We have contacted our bonding company and are working on the things needed to get this in place.
- Please send us a copy of the bond form that we need to use.
- We would like to request that this interim bond be for a period of 2 years. We would like to pursue possible escrow account options for the long term reclamation security.

We request at this time that our appeal rights be retained. We do not at this time feel a need to request an informal hearing. Our intent is to work towards complying with this Directive, but some of the deadlines may not be able to be met due to items out of our control.

Sincerely,
Lakeview Rock Products, Inc.



Russell A. Larsen
Vice President

Cc Wayne Hedberg, OGM